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E-L FINANCIAL CORPORATION LIMITED
1969 Annual Report

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Year at a Glance

(figures in thousands of dollars)

	1969	1968
Premium Income		
General Insurance - - - -	\$ 22,670	\$ 21,061
Life Insurance - - - - -	18,586	17,199
Total Premium Income - - - -	41,256	38,260
Total Revenues - - - - -	49,966	46,001
General Insurance Underwriting Ratio - - - - -	97.8%	93.1%
Statutory Earnings (excluding capital gains) - - - - -	1,626	2,330
Per Share - - - - -	.49	.70
Statutory Earnings (including capital gains) - - - - -	2,032	2,621
Per Share - - - - -	.61	.79
Total Assets - - - - -	161,787	148,213
Capital and Surplus - - - - -	21,447	19,464
New Life Insurance effected on Individual Lives - - - - -	130,415	100,091
Life Insurance in Force		
Individual Lives - - - - -	757,226	690,221
Group Insurance - - - - -	398,309	346,057
Total Insurance in Force - - - -	\$1,155,535	\$1,036,278

NOTE—Per share earnings figures assume full conversion of the Company's convertible preferred stock.

—Volume figures for New Life Insurance effected and Insurance in Force are expressed net of reinsurance ceded.

Report to the Shareholders

Consolidated statutory earnings for 1969 excluding realized capital gains on the sale of investments amounted to \$1,626,488 or 49¢ per share, a decline from \$2,330,489 or 70¢ per share for 1968. If capital gains were included earnings would have amounted to 61¢ per share for 1969 compared with 79¢ per share for 1968. These earnings figures per share have been calculated after assuming full conversion of our preferred stock which is convertible share for share into the common in perpetuity.

Of the 49¢ per share (excluding capital gains) reported for 1969 the equivalent of only 3¢ per share was contributed by Empire Life, your Company's major life insurance subsidiary. This very modest contribution to the Group's "statutory" profit reflects the heavy investment made by Empire Life in acquiring new business, all of which expense was written off during 1969 thereby depressing reported earnings.

In spite of lower statutory earnings considerable progress was made by your Company during 1969. Sales of insurance, total assets, premium income, surplus and reserves once again rose to record levels. The advantage of our holding company format has become increasingly apparent as specialized personnel in both of our affiliated subsidiaries are being drawn upon to the mutual advantage and profit of our combined Group.

General insurance net written premium totalled \$22,669,827, an increase of 7.6% over the previous year. In a difficult year for property and automobile insurers, our general insurance subsidiary, The Dominion of Canada General Insurance Company, experienced once again more favourable results than the industry generally, and was able to report a small underwriting profit. Our underwriting ratio of 97.8% although considerably less favourable than the previous year's 93.1% made 1969 the fifth consecutive year of profitable underwriting.

Life insurance in force at December 31, 1969 was \$1,156 million of which \$757 million was on individual lives and \$398 million was group. Individual life sales reached an all-time high of \$130 million up 30% from \$100 million the year previous.

Capital and surplus including investment and contingency reserves totalled at year-end \$21,447,242, a very gratifying gain of \$1,983,314 net, after the payment of regular dividends on our preferred shares and an initial dividend on our common shares. This surplus position reflects realized gains on investments in excess of realized losses of \$405,424 or approximately 12¢ per share.

During 1969 the insurance industry witnessed many significant developments which may substantially affect the future of our industry in Canada. The consideration of the concept of "compensation without fault" in automobile insurance in British Columbia, the possible government take-over of our automobile business in Manitoba, the continuing high rate of cash surrenders and policy loans against life insurance policies, are occupying the constant attention of your Company and the Industry. Fortunately changing conditions provide far-sighted management with creative challenges and constructive opportunities. E-L Financial subsidiaries were among the first Canadian life insurance companies to feel the need for more flexibility in meeting competition for the savings of the public, and moved to add a wide range of equity products to our existing insurance lines. Empire Life's insurance and annuity plans whose benefits vary directly with the

performance of an equity fund were approximately 15% of that Company's sales during 1969, an achievement which reflects the public's ready acceptance of our "balanced approach" to individual financial planning. During 1969, Empire Life's segregated investment fund grew from \$931,911 to \$2,472,069, while the unit value increased by 5.4%, which is a most gratifying performance when one considers that the stock market averages and the unit values of most trust companies and mutual funds showed substantial declines.

During 1970 it is our intention to "mass merchandise" some of our equity and life insurance products through payroll deduction plans, which should, in the long run, effectively reduce expenses per premium dollar thus benefiting policyholders and shareholders alike.

During 1969 your Company incorporated a wholly owned subsidiary, E-L Investment Management Limited, which is registered with the regulatory authorities as an investment counsellor. In addition to acting as an investment advisor to our two principal insurance subsidiaries, E-L Investment Management offers a wide range of investment management services to pension funds, corporate and individual accounts on a highly professional basis. We believe that this development will expand the opportunities to serve our clients and policyholders.

Note on Adjustment to Earnings

In assessing the progress of E-L Financial Corporation it is important that our shareholders appreciate that the earnings reported on pages 4 to 7 of this Report, although based on accounting practices authorized by the Canadian and Ontario Departments of Insurance, are not in certain respects in conformity with generally accepted accounting principles for companies in other industries.

For instance, commissions and other acquisition costs are written off in the year incurred rather than amortized over the life of the policy which may generate earnings to the Company for many years to come. Similarly in many instances compulsory transfers to policy reserves which are deductions from earnings, are in excess of those that the Company's past experience has proven necessary. These accounting principles, peculiar to the insurance industry, result in a mis-matching of income and expenditure and have the effect of depressing reported or "statutory" earnings when a company's premium income is expanding while inflating earnings when a company's premium income is declining.

Thus in measuring the progress of E-L Financial's life insurance subsidiaries one must realize that the substantial growth in premium income, policy reserves and business in force are to a large extent achieved only by a sacrifice in the year's statutory profits.

This apparent inconsistency has caused many financial analysts to try to determine a way in which insurance company earnings can be "adjusted" so that the shareholder can better appraise the progress and profitability of his investment. To resolve this dilemma a committee** of actuaries, analysts and other experts from across the United States has been meeting for over four years attempting to arrive at a formula that can be universally recognized by the insurance and financial communities. The committee has now completed its report and its recommendations for adjustments are meeting with wide acceptance among

many insurance analysts, including The Alfred M. Best Company, the internationally recognized insurance statisticians and publishers.

This formula is currently under review by our own actuarial staff as to its application to our circumstances. If the formula continues to receive wide acceptance, and if in the opinion of our directors and senior management it can be properly considered to accurately record the progress of the Company, then it would seem appropriate that "adjusted" earnings be included in future reports to shareholders.

**The Committee on Life Insurance Earnings Adjustments of the Association of Insurance and Financial Analysts.

Taxation

During 1969 our Life Insurance Companies became subject for the first time to taxation on not only the investment income which accrues to the benefit of policyholders, but on the Company's over-all profits.

In assessing the effect of increased taxation on E-L Financial it is important that our shareholders appreciate fully the nature of some of the regulatory legislation which affects the operations of insurance companies in Canada. Under Canadian law an insurance company must maintain out of after-tax income, surplus and contingency reserves in a stated proportion to policyholders' reserves and other liabilities. Thus if a company is expanding its premium income rapidly it becomes essential that an ever-increasing proportion of after-tax income be retained in the company in order to finance this growth. It is therefore important for shareholders to realize that additional taxes on rapidly growing companies like E-L Financial, do not simply cripple the ability to pay dividends but by curtailing the growth in surplus can impede our Company's ability to record noteworthy increases in sales and premium growth. Your Directors have always followed a conservative dividend policy, believing that our continued growth and ability to serve Canadians was a priority of the first order.

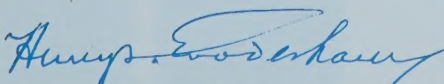
It is in this context that we must view the federal government's proposed White Paper on Taxation. Although presented as a series of proposals for tax reform the White Paper appears to be a comprehensive social document designed to drastically alter the patterns of savings and investment, and to channel a greater proportion of our national income into government hands.

Additional corporate taxes are proposed on our investment income and capital gains realized on the sale of investments. Other proposals are designed to penalize Canadian resident shareholders of companies such as E-L Financial which are prevented by law from paying out surplus earnings in dividends or who choose to save and re-invest surplus in the future development of our Company.

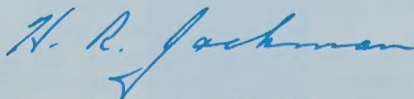
In addition to the new income taxes to be borne by our Company and its shareholders, the White Paper proposals suggest that those of our shareholders who are Canadians should pay a capital gains tax every five years on the "apparent gain" in their holdings of E-L Financial securities. Shares of insurance companies have often experienced wide fluctuations in the stock market, and it is quite possible that the situation will arise where our shareholders will be forced to pay a capital gains tax on an apparent profit which a subsequent decline in the market proves to be illusory. Presumably our shareholders will be expected to sell part of their holdings every five years to pay such a tax. Ironically this tax will not apply to our non-resident shareholders. At present over 98% of the shares of E-L Financial Corporation are held by Canadian residents. It seems inevitable however that if the White Paper proposals are allowed to stand the balance of ownership will gradually shift to non-residents, particularly citizens of the United States who can enjoy the benefits of ownership of E-L Financial securities at a considerably lesser tax burden than can their Canadian counterparts. The history and record of the E-L Financial group of companies is as old as Canada itself. We take pride in our tradition as an "All Canadian" Company. We trust that when measures for tax reform are implemented, the desirability of encouraging Canadians to save and invest in their own financial institutions will be considered by the Government.

It is with regret that we announce the retirement from our Board of Directors of Mr. Lester M. Keachie, C.B.E., Q.C., and Air Marshal Wilfred A. Curtis, C.C., C.B., C.B.E., LL.D. and the untimely passing of our fellow Director and friend, Mr. Laurence M. Savage. These gentlemen rendered outstanding service to your Company and its subsidiaries over many years. Their presence will be greatly missed. During the year Mr. Henry E. Langford, Q.C., former Chairman of the Ontario Securities Commission, was elected to your Company's Board of Directors. Effective February 27, 1970, Mr. N. Donald McDonald, M.B.E., F.L.M.I. was elected President of The Empire Life Insurance Company, and will be responsible for the over-all life insurance operations of the E-L Financial group of companies. Mr. McDonald replaces as President of Empire Life Mr. Herbert Blakeman, F.S.A., F.C.I.A., who is retiring. Mr. Blakeman has been General Manager of Empire Life since 1947, and President since 1965, and has guided that Company's destiny during the period of its greatest growth. In recognition of his outstanding contribution over the years it is your Directors' wish that Mr. Blakeman become Honorary President of Empire Life. Furthermore, we are glad that his services will be retained by the Company as a continuing member of our Board of Directors and a member of our Executive Committee.

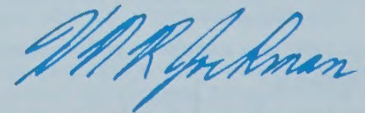
In closing, on behalf of the Board we should like to thank all our employees and agents whose co-operation and loyal support are directly responsible for our continuing success. To each and every one we extend our most sincere appreciation.



H. S. GOODERHAM
Chairman of the Board of Directors



H. R. JACKMAN, Q.C.
President



H. N. R. JACKMAN
Chairman of the Executive Committee

Consolidated Statement of Revenue and Expenditure

YEAR ENDED DECEMBER 31, 1969 (with comparative figures for 1968)

	General Insurance		Life Insurance	
	1969	1968	1969	1968
Revenue				
Premium income				
Life insurance - - - - -			\$ 18,586,312	\$ 17,199,379
General insurance - - - - -	\$ 22,669,827	\$ 21,060,389		
Total premium income - - - - -	22,669,827	21,060,389	18,586,312	17,199,379
Investment income - - - - -	1,622,842	1,414,313	7,039,133	6,319,537
Miscellaneous income - - - - -			9,935	7,644
	<u>24,292,669</u>	<u>22,474,702</u>	<u>25,635,380</u>	<u>23,526,560</u>
Expenditure				
Claims incurred - - - - -	13,914,110	12,001,250	4,169,998	3,008,617
Other benefits to policyholders - - - - -			5,934,381	4,690,790
Increase in policy and unearned premium reserves - - - - -	757,897	707,270	5,460,924	7,399,782
Agents' commissions - - - - -	3,945,614	3,689,214	1,699,505	1,675,537
Operating expenses and directors' fees - - - - -	3,257,777	2,952,388	4,644,872	4,461,801
Taxes excluding corporation and investment taxes - - - - -	570,169	533,783	365,914	335,821
Premiums transferred to segregated fund - - - - -			1,413,915	333,647
	<u>22,445,567</u>	<u>19,883,905</u>	<u>23,689,509</u>	<u>21,905,995</u>
Income before income taxes - - - - -	1,847,102	2,590,797	1,945,871	1,620,565
Income taxes - - - - -	435,000	890,000	198,000	39,077
Income before the undernoted items - - - - -	<u>1,412,102</u>	<u>1,700,797</u>	<u>1,747,871</u>	<u>1,581,488</u>
Deduct				
Dividends to policyholders - - - - -			1,059,517	997,894
Policyholders' and minority interest portion of profit - - - - -	25,923	30,649	398,540	(76,747)
	<u>25,923</u>	<u>30,649</u>	<u>1,458,057</u>	<u>921,147</u>
Company's income before profit (loss) on sale of securities - - - - -	1,386,179	1,670,148	289,814	660,341
Company's profit (loss) on sale of securities (note 7) - - - - -	464,895	85,163	(59,471)	205,770
Net income for the year - - - - -	<u>\$ 1,851,074</u>	<u>\$ 1,755,311</u>	<u>\$ 230,343</u>	<u>\$ 866,111</u>
Earnings per common share based on full conversion of preference shares				
Before profit on sale of securities - - - - -				
Net income for the year - - - - -				

Consolidated Statement of Shareholders' Equity in Surplus

YEAR ENDED DECEMBER 31, 1969 (with comparative figures for 1968)

	General Insurance		Life Insurance	
	1969	1968	1969	1968
Shareholders' equity in surplus at beginning of year	\$ 7,861,277	\$ 6,404,510	\$ 6,276,152	\$ 5,732,564
Add				
Net income for the year excluding minority interest - - - - -	1,851,074	1,755,311	230,343	866,111
Discretionary transfer from policy reserves - - - - -			376,920	
	<u>9,712,351</u>	<u>8,159,821</u>	<u>6,883,415</u>	<u>6,598,675</u>
Deduct				
Transfer to segregated funds - - - - -			98,500	
Transfer to general reserve for investments and contingencies - - - - -			376,920	
Discretionary transfer to policy reserves - - - - -				282,690
Dividends - - - - -	388,107	298,544	79,665	39,833
	<u>388,107</u>	<u>298,544</u>	<u>555,085</u>	<u>322,523</u>
Shareholders' equity in surplus at end of year - - - - -	<u>\$ 9,324,244</u>	<u>\$ 7,861,277</u>	<u>\$ 6,328,330</u>	<u>\$ 6,276,152</u>

Consolidated Statement of Source and Use of Funds

YEAR ENDED DECEMBER 31, 1969

Source of funds

Net income for the year - - - - -	\$2,031,912	
Add non-cash charges - - - - -		
Policyholders' and minority interest portion of net income for the year - - - - -	314,561	
Increase in policy and unearned premium reserves - - - - -	6,218,821	
Increase in staff pension fund - - - - -	228,336	
Increase in provision for profits to policyholders - - - - -	282,463	
Increase in provision for unpaid and unreported claims - - - - -	2,556,922	
Depreciation - - - - -	137,226	\$11,770,241
Bank advances reflecting forward investment of new funds - - - - -		668,963
Issue of capital stock - - - - -		54,461
		<u>\$12,493,665</u>

Use of funds

Increase in cash and short term investments - -	1,107,901
Increase in securities - - - - -	5,096,782
Increase in first mortgages on real estate - - -	4,054,094
Increase in loans on policies - - - - -	1,132,751
Increase in premiums in the course of collection -	471,039
Dividends paid - - - - -	380,499
Increase in other net assets - - - - -	250,599
	<u>\$12,493,665</u>

Note

Comparative figures for 1968 have not been provided as the information is not readily available.

Notes to Consolidated Financial Statements

DECEMBER 31, 1969

1. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the following subsidiary companies:

E-L Investment Management Limited (wholly owned) from incorporation on June 24, 1969

The Empire Life Insurance Company

The Dominion of Canada General Insurance Company and its subsidiary company The Casualty Company of Canada

The company acquired 94.23% of the outstanding shares of The Empire Life Insurance Company (Empire) and 98.5% of the outstanding shares of The Dominion of Canada General Insurance Company (Dominion) in exchange for shares of the company. These transactions have been accounted for as poolings of interests and accordingly the financial statements for 1969 include the results of operations of the acquired companies for 1969 and for comparative purposes the 1968 figures reflect these transactions as if E-L Financial Corporation Limited had existed for the full year and held the shares of The Empire Life Insurance Company and The Dominion of Canada General Insurance Company for the full year.

Surpluses, reserves and balance of revenue throughout the periods have been computed after giving effect to the minority interest in the shares of Empire (5.77%) and Dominion (1.50%) outstanding at December 31, 1969. They are prepared essentially in accordance with accounting practices prescribed, authorized or permitted by the regulations governing insurance companies for insurance company annual statements, except for modifications principally as to classification and format for the purpose of clarifying the interest of the holding company. These practices and accordingly the financial statements are in conformity with generally accepted accounting principles for insurance companies. However, in certain respects as indicated below in (a) to (d) they are not in conformity with generally accepted accounting principles applicable to companies engaged in other industries.

(a) Acquisition costs—Commissions and other acquisition costs relating to the issue of new life insurance and annuity policies are charged to operations in the year incurred. Some allowance is made for amortizing part of these costs by use of the Canadian Modified method of computing actuarial policy

Consolidated (note 1)

1969	1968
\$ 18,586,312	\$ 17,199,379
22,669,827	21,060,389
41,256,139	38,259,768
8,663,118	7,733,850
46,254	7,644
49,965,511	46,001,262
18,084,108	15,009,867
5,934,381	4,690,790
6,218,821	8,107,052
5,645,119	5,364,751
7,984,532	7,414,189
936,083	869,604
1,413,915	333,647
46,216,959	41,789,900
3,748,552	4,211,362
638,084	929,077
3,110,468	3,282,285
1,059,517	997,894
424,463	(46,098)
1,483,980	951,796
1,626,488	2,330,489
405,424	290,933
\$ 2,031,912	\$ 2,621,422
.49	.70
.61	.79

Consolidated (note 1)

1969	1968
\$ 14,137,429	\$ 12,137,074
2,031,912	2,621,422
376,920	
16,546,261	14,758,496
98,500	
376,920	
	282,690
380,499	338,377
855,919	621,067
\$ 15,690,342	\$ 14,137,429

Consolidated Balance Sheet—December 31, 1969

(with comparative figures at December 31, 1968)

	General Insurance		Life Insurance	
	1969	1968	1969	1968
ASSETS				
Cash - - - - -	\$ 773,859	\$ 1,058,127	\$ 87,293	\$ 134,759
Short term investments - - - - -	2,750,000	1,300,000		
Bonds and debentures - - - - -	12,199,073	11,108,129	31,218,153	32,350,171
Preferred stock - - - - -	8,404,952	8,146,820	671,629	613,145
Common stock - - - - -	7,859,274	6,546,836	12,021,717	8,512,915
First mortgages on real estate - - - - -	1,042,851	1,099,697	61,865,818	57,754,878
Real estate (less depreciation) - - - - -	2,537,227	2,570,139	3,270,478	3,296,148
Loans on policies - - - - -			7,873,193	6,740,442
Premiums in the course of collection - - - - -	4,209,471	3,690,153	743,851	792,130
Investment income due and accrued - - - - -	278,657	250,733	1,218,400	1,047,543
Segregated investment funds - - - - -			2,576,135	931,911
Due from reinsurers and others - - - - -	58,947	198,016		
Other assets - - - - -			4,643	17,961
	<u>\$ 40,114,311</u>	<u>\$ 35,968,650</u>	<u>\$121,551,310</u>	<u>\$112,192,003</u>
LIABILITIES				
Policy reserves (life insurance) - - - - -			95,279,440	90,218,174
Unearned premium reserve (general insurance) - - - - -	11,224,170	10,466,273		
Provision for unpaid and unreported claims - - - - -	14,784,678	12,886,071	2,059,203	1,400,888
Staff pension fund (note 3) - - - - -			4,348,686	4,120,350
Amounts left with company at interest - - - - -	61,380	65,636	3,094,140	2,993,505
Premium and other taxes payable - - - - -	114,489	361,392	169,660	98,283
Bank advances (secured) reflecting forward investment of new funds - - - - -			668,963	
Due to reinsurers and others - - - - -	605,250	370,378	365,342	504,494
Amounts received, not yet allocated - - - - -			334,490	279,160
Segregated investment funds - - - - -			2,576,135	931,911
Provision for profits to policyholders - - - - -			2,784,973	2,502,510
Dividends payable - - - - -	88,401	75,773		
Participating policyholders' equity in surplus, and general reserve for investments and contingencies			1,148,957	870,455
	<u>26,878,368</u>	<u>24,225,523</u>	<u>112,829,989</u>	<u>103,919,730</u>
Minority interest - - - - -	245,370	214,541	396,037	376,087
SHAREHOLDERS' EQUITY				
Capital stock, fully paid (note 6) - - - - -	995,145	995,145	663,877	663,877
Contributed surplus arising from issue of shares at a premium - - - - -				
General reserve for investments and contingencies	2,671,184	2,672,164	1,333,077	956,157
Surplus (note 4) - - - - -	9,324,244	7,861,277	6,328,330	6,276,152
	<u>12,990,573</u>	<u>11,528,586</u>	<u>8,325,284</u>	<u>7,896,186</u>
	<u>\$ 40,114,311</u>	<u>\$ 35,968,650</u>	<u>\$121,551,310</u>	<u>\$112,192,003</u>

Approved on behalf of the Board:

H. S. Gooderham, Director

H. R. Jackman, Director

Notes to Consolidated Financial Statements

(continued)

Consolidated
(note 1)

1969	1968
\$ 868,515	\$ 1,210,614
2,750,000	1,300,000
43,417,226	43,458,300
9,076,581	8,759,965
19,880,991	15,059,751
62,908,669	58,854,575
5,807,705	5,866,287
7,873,193	6,740,442
4,953,322	4,482,283
1,497,057	1,298,276
2,576,135	931,911
58,947	198,016
118,801	52,961
<u>\$161,787,142</u>	<u>\$148,213,381</u>

95,279,440	90,218,174
11,224,170	10,466,273
16,843,881	14,286,959
4,348,686	4,120,350
3,155,520	3,059,141
284,149	459,675
668,963	
973,177	888,444
334,490	279,160
2,576,135	931,911
2,784,973	2,502,510
75,952	75,773
1,148,957	870,455
<u>139,698,493</u>	<u>128,158,825</u>
<u>641,407</u>	<u>590,628</u>

1,711,873	1,660,528
40,766	37,650
4,004,261	3,628,321
15,690,342	14,137,429
21,447,242	19,463,928
<u>\$161,787,142</u>	<u>\$148,213,381</u>

reserves but this does not give full effect to the amortization of these costs over the term of the policies. The result is to penalize gain from operations in a period of business growth and to improve gain from operations in a period of decline.

- (b) Agents' balances—Agents' debit balances (and certain relatively minor other assets) are also excluded from the balance sheet.
- (c) Life insurance and annuity reserves—These reserves are computed on the basis of mortality and interest factors permissible by law and are in excess of those that could be computed on the basis of the companies' past experience.
- (d) Unearned premium reserve—Unearned general insurance premiums are reflected at 80% of actual premiums with the consequent application of only 20% toward expenses. Actual expenses of The Dominion of Canada General Insurance Company during the past five years have averaged 34%-39% of premiums, almost all of which expense is incurred at the time the policy is issued. Thus the 20% of premiums allowed for expenses in the government statements does not accurately reflect the cost of acquiring new premiums. Therefore in periods when the company's premium income is expanding, reported earnings are penalized. Conversely in periods when premium income is declining, reported earnings are inflated.

2. VALUATION OF INVESTED ASSETS

The basis of valuation of invested assets other than the segregated investment fund is cost or amortized value, less amounts written off from time to time, and the resulting book values are not in excess of the values authorized by the Association of Superintendents of Insurance of the Provinces of Canada. The segregated investment fund is shown at quoted market value.

3. STAFF PENSION FUND

Effective from July 1, 1965, Empire Life's grant portion of the Staff Pension Fund is invested in the Segregated Investment Fund.

4. SHAREHOLDERS' EQUITY IN SURPLUS

The entire surplus of both The Dominion of Canada's Life and General Sections belong to the shareholders.

Under Empire Life's charter shareholders are entitled to all the profits from the non-participating policies and that portion of the profit on the participating policies equal to one-ninth of the amount paid to policyholders as dividends. For the years 1966 to 1969 an amount equal to one-ninth of the amount paid and provided for policy dividends on participating policies has been transferred from the surplus attributable to participating policies to shareholders' surplus. A lesser amount was transferred in earlier years. These amounts plus the shareholders' interest in investment income together with all the profit on Empire Life's non-participating policies make up the amount transferred to surplus each year.

5. INCOME TAXES

Surplus earnings of the subsidiary companies prior to acquisition of control will be subject to income tax if and when the earnings are distributed to E-L Financial Corporation Limited.

The Dominion of Canada General Insurance Company follows the practice with respect to its Head Office building of claiming for income tax purposes, capital cost allowance in excess of the depreciation provided in the accounts. As a result, the total reduction of income taxes to December 31, 1969 amounted to \$300,200 of which \$51,100 is applicable to 1969.

6. CAPITAL STOCK

Authorized

4,999,925 Preference shares, without par value, issuable in series
10,000,000 Common shares, without par value

Issued

597,021 Series A convertible preference shares }
2,729,484 Common shares } \$1,711,873

The Series A convertible preference shares are convertible into common shares on a share for share basis. The common shares were changed from a par value of 50¢ into common shares without par value by supplementary letters patent dated May 12, 1969.

Summary of Pro Forma Consolidated Statements

(all figures expressed in thousands of dollars)

	1969	1968	1967	1966
PREMIUM INCOME - - - - -	\$ 41,256	\$ 38,260	\$ 33,957	\$ 31,141
INVESTMENT INCOME - - - - -	8,663	7,734	6,950	6,360
TOTAL REVENUES - - - - -	49,966	46,001	41,011	37,523
Claims and Other Benefits to Policyholders - - - - -	24,018	19,701	18,374	16,206
Increase in Policyholders' Reserves - - - - -	7,633	8,441	5,759	6,133
Expenses (including agents' Commissions) - - - - -	13,630	12,778	11,672	10,612
Taxes paid to Governments - - - - -	1,574	1,799	1,745	1,608
Profits paid or allocated to Policyholders - - - - -	1,484	952	1,077	1,034
NET INCOME BEFORE PROFIT OR LOSS	1,627	2,330	2,384	1,930
ON SECURITY TRANSACTIONS - - - - -	405	291	72	87
Net Realized gains on security transactions - - - - -				
NET INCOME - - - - -	\$ 2,032	\$ 2,621	\$ 2,456	\$ 2,017
NET INCOME				
per share (excluding capital gains) - - - - -	.49	.70	.72	.58
per share (including capital gains) - - - - -	.61	.79	.74	.61
ASSETS				
Cash and Short Term Investments - - - - -	\$ 3,619	\$ 2,511	\$ 2,402	\$ 2,767
Bonds and Debentures - - - - -	43,417	43,458	40,429	37,200
Preferred and Common Stocks - - - - -	28,958	23,820	19,214	15,136
First Mortgages on Real Estate - - - - -	62,909	58,855	54,437	52,318
Real Estate - - - - -	5,808	5,866	5,923	6,025
Loans on Policies - - - - -	7,873	6,740	5,913	5,750
Segregated Equity Funds - - - - -	2,576	932	358	228
Other Assets - - - - -	6,627	6,031	5,575	4,925
TOTAL ASSETS - - - - -	\$161,787	\$148,213	\$134,251	\$124,349
LIABILITIES				
Policy and Unearned Premium Reserves* - - - - -	\$113,428	\$105,737	\$ 96,194	\$ 90,160
Reserve for Claims - - - - -	16,844	14,287	12,487	10,594
Other Liabilities - - - - -	6,134	5,352	4,985	5,617
Policyholders' Equity in Surplus - - - - -	3,934	3,373	3,161	2,641
TOTAL LIABILITIES - - - - -	140,340	128,749	116,827	109,012
SHAREHOLDERS' EQUITY - - - - -	21,447	19,464	17,424	15,337
	\$161,787	\$148,213	\$134,251	\$124,349

*including staff pension fund

Notes to Consolidated Financial Statements

(continued)

Shares issued in 1969

Series A convertible preference shares

597,096 shares in part consideration for 199,032 shares of The Dominion of Canada General Insurance Company

Common

322,692 shares for 161,346 shares of The Empire Life Insurance Company
1,393,224 shares in part consideration for 199,032 shares of The Dominion of Canada General Insurance Company

5,000 shares for investment counselling firm issued at \$10 per share

371 shares for warrants exercised at \$12 per share

75 shares for conversion of 75 Series A convertible preference shares

The company acquired the shares of The Empire Life Insurance Company by the issue of 4 common shares and a share purchase warrant evidencing the right to subscribe for 1 common share of the company at \$12 until December 22, 1978 for each 2 shares of The Empire Life Insurance Company.

The company acquired the shares of The Dominion of Canada General Insurance Company by the issue of 3 Series A convertible preference shares, 7 common shares and a share purchase warrant evidencing the right to subscribe for 1 common share of the company at \$12 until December 22, 1978 for each share of The Dominion of Canada General Insurance Company.

Shares to be issued

In order to complete the purchase of the investment counselling firm, the company is required to issue during the period ending May 1, 1972 an additional 6,000 common shares, subject to reduction based on the revenue derived by the business purchased.

Share purchase warrants

531,361.5 warrants to purchase 531,361.5 common shares of the company at \$12 per share exercisable until December 22, 1978 are outstanding at December 31, 1969.

7. PROFIT (LOSS) ON SALE OF SECURITIES

	General Insurance		Life Insurance		Consolidated	
	1969	1968	1969	1968	1969	1968
Shareholders' portion - - - -	\$464,895	\$ 85,163	\$(59,471)	\$205,770	\$405,424	\$290,933
Participating policyholders' portion - - - -			(110,859)	224,650	(110,859)	224,650
Minority interest - -	6,888	1,339	(5,931)	12,367	957	13,706
	<u>\$471,783</u>	<u>\$ 86,502</u>	<u>\$(176,261)</u>	<u>\$442,787</u>	<u>\$295,522</u>	<u>\$529,289</u>

8. OTHER STATUTORY INFORMATION

Expenses include the following:

	1969	1968
Remuneration of directors and senior officers - - - - -	\$237,019	\$239,552
Depreciation - - - - -	137,226	127,933

Auditors' Report

To the Shareholders of E-L Financial Corporation Limited

We have examined the consolidated balance sheet of E-L Financial Corporation Limited and subsidiary companies as at December 31, 1969 and the consolidated statements of revenue and expenditure, shareholders' equity in surplus and source and use of funds for the year then ended. Our examination of the financial statements of E-L Financial Corporation Limited and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 11, 1970

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants

Summary of General Insurance Operations

Six Years ended December 31st, 1969

(all figures expressed in thousands of dollars)

	1969	1968	1967	1966
NET PREMIUMS WRITTEN				
Automobile - - - - -	\$ 15,619	\$ 14,367	\$ 13,665	\$ 12,229
Casualty - - - - -	3,248	3,072	2,642	2,483
Fire - - - - -	3,803	3,621	2,607	2,389
TOTAL NET PREMIUMS WRITTEN - - - - -	\$ 22,670	\$ 21,060	\$ 18,914	\$ 17,101
NET PREMIUMS EARNED - - - - -	\$ 21,912	\$ 20,353	\$ 18,162	\$ 16,224
Claims Incurred - - - - -	13,914	12,001	10,287	9,107
Operating Expenditures including Commissions and Premium Taxes -	7,779	7,181	6,542	5,853
UNDERWRITING PROFIT - - - - -	\$ 219	\$ 1,171	\$ 1,333	\$ 1,264
Investment Income - - - - -	1,623	1,415	1,214	1,058
NET PROFIT BEFORE TAXES - - - - -	\$ 1,842	\$ 2,586	\$ 2,547	\$ 2,322
Income Taxes - - - - -	435	890	915	840
NET PROFIT - - - - -	\$ 1,407	\$ 1,696	\$ 1,632	\$ 1,482
 Claims Ratio (to net premiums earned) - - - - -	% 63.5	% 59.0	% 56.6	% 56.1
Expense Ratio (to net premiums written) - - - - -	34.3	34.1	34.6	34.2
	% 97.8	% 93.1	% 91.2	% 90.3
 ASSETS				
Cash and Short Term Investments - - - - -	\$ 3,524	\$ 2,358	\$ 2,230	\$ 2,603
Bonds and Debentures - - - - -	12,199	11,108	9,879	9,589
Preferred and Common Stocks - - - - -	16,264	14,694	12,439	9,386
First Mortgages - - - - -	1,043	1,100	1,165	1,258
Real Estate - - - - -	2,537	2,570	2,603	2,636
Amounts Receivable - - - - -	4,547	4,139	3,866	3,428
TOTAL ASSETS - - - - -	\$ 40,114	\$ 35,969	\$ 32,182	\$ 28,900
 LIABILITIES				
Unearned Premium Reserve - - - - -	\$ 11,224	\$ 10,467	\$ 9,759	\$ 9,007
Reserve for Claims - - - - -	14,785	12,886	11,057	9,552
Other Liabilities - - - - -	917	912	1,141	1,578
TOTAL LIABILITIES - - - - -	\$ 26,926	\$ 24,265	\$ 21,957	\$ 20,137
CAPITAL, SURPLUS AND CONTINGENCY RESERVES - - - - -	13,188	11,704	10,225	8,763
	\$ 40,114	\$ 35,969	\$ 32,182	\$ 28,900

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

Review of the Year

In a year when adverse conditions had a serious effect on the insurance business it is a pleasure to report that The Dominion of Canada General Insurance Company and its subsidiary Company, The Casualty Company of Canada produced a satisfactory result for their 1969 operations.

The combined General and Life Insurance Premium Income amounted to \$26,268,165, an increase for the year of \$2,135,783 while Investment Income increased by \$362,215 to \$3,367,702. Both Premium and Investment Incomes set new records for our Company Group.

The 1969 Profit was \$2,129,352. After providing for Income Tax of \$533,000, a Net Profit of \$1,596,352 was produced. Surplus Account was increased by an amount of \$1,624,836.

GENERAL INSURANCE

The Net Premium Income of the General Insurance Section of the "Dominion" increased by 7.6% during 1969, distributed as follows:

Automobile increase—8.7%
Casualty increase—5.7%
Fire increase—5.0%

The General Insurance business is traditionally one of "peaks and valleys" and 1969 was one of adversity when most companies have suffered Underwriting Losses. Automobile Insurance was particularly unfavourable, chiefly due to the effect of inflation on claim settlements, the ever-increasing number of accidents and the practice of manufacturers to produce automobiles of lightweight and unit construction, unable to withstand even minor collisions and at the same time, increasingly costly to repair.

New automobile rates for 1970 were calculated on the claims experience to keep pace with these factors but it has not been possible to immediately introduce them into all Provinces because of political pressures. We are hopeful that negotiations now taking place will result in the early implementation of much needed increases.

Property Insurance has also suffered from inflation as the cost of replacing or repairing damaged residential and commercial buildings and contents has taken a sharp increase. Revised rates are presently under consideration for certain property classes. Because most Property Insurance policies are issued for a three-year term the full benefit of higher premiums takes longer to improve underwriting results than is the case with annual policies.

It is not possible to forecast how the General Insurance industry will fare in 1970 as the involvement of Governments in our business creates difficulties unknown in the past while inflation, even if retarded, will continue to affect the cost of claims and operating expenses for many months ahead. It is essential that Governments and the public recognize the necessity for an upward revision of rates in this inflationary period.

LIFE INSURANCE

New Life Insurance and annuity sales during the year amounted to \$24,997,442. Total Life Insurance in force at the year-end exclusive of business reinsured with other companies was \$224,928,217. Of this total, \$143,995,872 was ordinary insurance and \$80,932,345 was group insurance.


Life Insurance contractual benefits were secured by assets of \$29,851,059, producing net investment income of \$1,744,860, up 9.7% from the previous year. The net rate of interest earned on the invested assets increased by .22% to 6.24%.

Reserves for life insurance and annuity contracts totalled \$23,886,440. In addition, \$548,504 was required to meet other policy liabilities in respect of amounts held on deposit and claims in the course of settlement or unreported.

Mortality was somewhat heavier than in recent years but was still within the limits expected. Payments made to beneficiaries and to living policyowners amounted to \$2,485,306, an increase of \$564,828 from the previous year.

In 1969 the life insurance industry became subject to a completely new basis of taxation and as a result the Life Insurance Section was required to pay income taxes of \$98,000 for the first time.

I would like to express my sincere thanks to all our Agents, Officials and personnel in all parts of Canada for their continued loyal and conscientious support throughout the past year.


H. N. HANLY,
President.

1965	1964
\$ 10,731	\$ 8,739
2,402	2,195
2,193	1,968
\$ 15,326	\$ 12,902
\$ 14,295	\$ 12,155
8,478	7,629
5,597	4,985
\$ 220	\$ (459)
887	711
\$ 1,107	\$ 252
114	5
\$ 993	\$ 247
% 59.3	% 62.8
36.5	38.6
% 95.8	% 101.4
\$ 1,830	\$ 1,166
9,127	9,295
7,123	4,293
1,362	1,470
2,669	2,702
2,929	2,727
\$ 25,040	\$ 21,653
\$ 8,131	\$ 7,099
8,445	7,241
988	661
\$ 17,564	\$ 15,001
7,476	6,652
\$ 25,040	\$ 21,653

Summary of Life Insurance Operations

(all figures expressed in thousands of dollars)

	1969	1968	1967	1966
PREMIUM INCOME (Net of Reinsurance)				
Individual Assurances - - - - -	\$ 12,451	\$ 12,341	\$ 11,932	\$ 11,478
Individual Annuities - - - - -	1,588	1,790	1,079	589
Group Assurances - - - - -	1,202	1,031	961	842
Group Annuities - - - - -	732	1,040	761	971
Health Insurance - - - - -	883	453	215	76
"Equity" Premiums - - - - -	1,703	467	24	43
TOTAL PREMIUM INCOME - - - - -	\$ 18,559	\$ 17,122	\$ 14,972	\$ 13,999
POLICY RESERVES - - - - -				
SEGREGATED "EQUITY" FUNDS - - - - -	\$ 95,279	\$ 90,218	\$ 82,317	\$ 77,310
TOTAL ASSETS - - - - -	\$ 121,551	\$ 112,192	\$102,069	\$ 95,448
NET INTEREST EARNED* - - - - -	% 6.39	% 6.21	% 6.12	% 6.06
NEW BUSINESS EFFECTED ON INDIVIDUAL LIVES				
Whole Life and Endowment - - - - -	\$ 32,436	\$ 32,868	\$ 32,969	\$ 35,844
Term Insurance - - - - -	76,399	53,981	52,055	46,397
Annuities - - - - -	4,588	6,734	3,589	3,598
Health Insurance - - - - -	1,714	1,515	1,371	785
"Equity" Assurances and Annuities - - - - -	15,278	4,993	1,361	nil
TOTAL NEW BUSINESS EFFECTED - - - - -	\$ 130,415	\$ 100,091	\$ 91,345	\$ 86,624
BUSINESS IN FORCE				
Individual Lives				
Whole Life and Endowment - - - - -	\$ 410,373	\$ 420,262	\$410,996	\$394,422
Term Insurance - - - - -	309,119	247,161	215,659	194,077
Annuities - - - - -	13,998	13,048	10,560	9,614
Health Insurance - - - - -	4,375	3,602	2,936	1,454
"Equity" Insurance and Annuities - - - - -	19,361	6,148	1,361	nil
	\$ 757,226	\$ 690,221	\$641,512	\$599,567
Group				
Life Insurance - - - - -	\$ 264,476	\$ 241,388	\$208,786	\$177,457
Annuities - - - - -	46,349	41,316	32,219	26,622
Health Insurance - - - - -	87,484	63,353	20,678	8,280
	\$ 398,309	\$ 346,057	\$261,683	\$212,359
TOTAL BUSINESS IN FORCE - - - - -	\$1,155,535	\$1,036,278	\$903,195	\$811,926

*Empire Life

NOTE—Volume figures for New Life Insurance effected and Insurance in Force are expressed net of reinsurance ceded.

<u>1965</u>	<u>1964</u>
\$ 11,014	\$ 10,468
669	839
621	507
687	500
39	12
nil	nil
<u>\$ 13,030</u>	<u>\$ 12,326</u>
\$ 72,053	\$ 67,034
\$ 141	\$ 102
\$ 88,821	\$ 82,050
% 5.89	% 5.87
\$ 42,246	\$ 48,922
43,756	39,777
1,958	508
821	247
nil	nil
<u>\$ 88,781</u>	<u>\$ 89,454</u>
\$381,992	\$365,186
174,998	151,181
8,523	7,039
1,010	321
nil	nil
<u>\$566,523</u>	<u>\$523,727</u>
\$140,660	\$104,180
17,237	8,755
nil	nil
<u>\$157,897</u>	<u>\$112,935</u>
<u>\$724,420</u>	<u>\$636,662</u>

THE EMPIRE LIFE INSURANCE COMPANY

Review of the Year 1969

The last year of the 60's achieved new records of production and our ordinary business was 30% ahead of the previous year. This is a remarkable achievement and reflects an excellent job done by all those involved in generating this business. Our Equity-linked products formed the major portion of this increase and justified the decision made in the Fall of 1967 to enter this market aggressively.

Net gain showed an impressive 35% over 1968 in ordinary business, despite a substantial increase in terminations, a new record in that category which we hope will be corrected in 1970. Our Group business grew in excess of \$40 million, down from the previous year, but our net increase in insurance again increased by over \$100 million. The total business in force is 82,258 policies for \$930,900,000 excluding business reinsured with other companies. Our ordinary insurance in force is \$613 million and our group \$317 million.

The assets of the Company that support its policy obligations increased by 7 $\frac{3}{4}$ million to \$91,700,000. During 1969 emphasis was again given to investment in equities and our portfolio increased from 10.6% to 13.1% exclusive of the Segregated Fund. Our net return on invested assets was 6.39%, an increase of .18% over 1968 and an increase of .50% in the last five years. Policy loans now represent 7.1% of our invested assets and are a serious drain on the cash flow within the industry and prevent us from taking advantage of higher interest yields in mortgages and bonds. Cash surrenders have shown a marked increase also and are cause for concern in the industry, but there is very little that can be done because of tight money and high interest rates.

The liability of the Company under its obligations for future payments to policyowners is now \$71,393,000. This amount which with interest and future premiums is actuarially calculated to be sufficient to provide for all payments under insurance and annuity contracts. Other liabilities relating to policy contracts total \$7,389,812.

The Pension Fund increased to \$2,292,443 including 91,232 units in the Segregated Fund which were valued at \$4.76 per unit at December 31, 1969, while other accrued expenses and liabilities totalled \$1,227,000 including a bank loan of \$669,000 which represents forward investment.

Total net income increased to over \$20 million. Premium income accounted for \$14,950,576 and net investment income was \$5,562,699.

Benefit payments made to beneficiaries and policyowners was \$8,631,351 a substantial increase over the previous year, particularly in cash surrender and disability claims. The reserve for policy liabilities was increased by \$4,233,014.


Permission was granted to change the reserve basis for annuities to 5 $\frac{1}{2}$ % which removed the strain on our reserves and released \$400,000 which was transferred to the general reserve for investments and contingencies increasing this account to \$1,400,000.

Net statutory earnings from insurance operations increased to \$599,290 before making provision of \$100,000 for the new income taxes and before allocating to policyholders their share of the surplus.

The margin available by way of contingency and special reserves, capital stock and unassigned surplus for additional protection to policyowners grew to \$7,360,132. The Segregated Investment Fund grew from \$931,911 at the end of 1968 to \$2,472,069.

The program of equity-linked products was well launched and consideration is now being given to the mass marketing of these products specially designed for payroll deductions.

The retirement of my predecessor, Mr. H. H. Blakeman has given me the responsibilities of directing the insurance operations of a billion dollar company. This can only be done through the co-operation of the Field and Administrative Staffs, whose abilities and industry have provided the excellent growth pattern that Empire Life has enjoyed over many years.


N. D. McDONALD,
President.

Board of Directors

HONOURABLE LOUIS P. BEAUBIEN

Member of the Canadian Senate

HERBERT H. BLAKEMAN, F.S.A., F.C.I.A.

former President, The Empire Life Insurance Company

NEWMAN A. FAIRHEAD

President, Lake Simcoe Ice & Enterprises Limited

HENRY S. GOODERHAM

Chairman of the Board, The Dominion of Canada General Insurance Company

PETER S. GOODERHAM

Vice-President, Wills, Bickle & Co. Ltd.

H. NORMAN HANLY

President, The Dominion of Canada General Insurance Company

HENRY N. R. JACKMAN

Chairman of the Board, The Empire Life Insurance Company

HENRY R. JACKMAN, O.C.

President, The Dominion and Anglo Investment Corporation Limited

W. LEO KNOWLTON, O.C.

Director, Canada Permanent Trust Company

HENRY E. LANGFORD, O.C.

former Chairman, Ontario Securities Commission

WILLIAM A. MACKINTOSH, C.C., C.M.G., Ph.D., LL.D., D.C.L.

former Vice-Chancellor, Queen's University

BRIAN R. B. MAGEE

Chairman of the Board, A. E. LePage Limited

WILFRID MAVOR, C.B.E., M.C.

Chairman of the Board, Ferro Enamels (Canada) Ltd.

N. DONALD McDONALD, M.B.E., F.L.M.I.

President, The Empire Life Insurance Company

THOMAS OAKLEY

Vice-President, Canadian China & Glass Co. Ltd.

ARTHUR PEDOE, F.I.A., F.S.A., F.C.I.A.

Consulting Actuary

Officers:

HENRY S. GOODERHAM	CHAIRMAN OF THE BOARD
HENRY R. JACKMAN, O.C.	PRESIDENT
HENRY N. R. JACKMAN	CHAIRMAN OF THE EXECUTIVE COMMITTEE
H. NORMAN HANLY	VICE-PRESIDENT
N. DONALD McDONALD	VICE-PRESIDENT

THE EMPIRE LIFE INSURANCE COMPANY

Officers and Administrative Staff

CHAIRMAN OF THE BOARD	- - - - -	HENRY N. R. JACKMAN
PRESIDENT	- - - - -	N. DONALD McDONALD, M.B.E., F.L.M.I.
VICE-PRESIDENT AND ACTUARY	- - - - -	W. H. AITKEN, F.S.A., F.C.I.A.
VICE-PRESIDENT AND SECRETARY	- - - - -	E. W. KAITTING, F.L.M.I., F.E.A.A.
VICE-PRESIDENT, COMPUTER SERVICES	- - - - -	R. BALTRUWEIT, F.L.M.I.
VICE-PRESIDENT, MARKETING SERVICES	- - - - -	G. D. DE RÉ, A.C.L.U.
VICE-PRESIDENT, BRANCH DEVELOPMENT	- - - - -	W. H. MERRIAM, C.L.U.
UNDERWRITING OFFICER	- - - - -	N. G. BURNSIDE
MEDICAL OFFICER	- - - - -	J. N. CHESEBROUGH, M.D.
PURCHASING AGENT	- - - - -	E. FROST
SUPERINTENDENT, GROUP	- - - - -	D. E. SCHLICHTER, A.C.L.U.
MORTGAGE OFFICER	- - - - -	J. M. McINNIS, F.L.M.I.
EXECUTIVE ASSISTANT, SECURITIES	- - - - -	A. G. DRAGONE
		Vice-President, E-L Investment Management
SUPERINTENDENT, GENERAL AGENCY DEVELOPMENT	- - - - -	H. P. PERGANTES
SUPERINTENDENT, BRANCH DEVELOPMENT	- - - - -	B. V. DOUTHWAITE
ASSISTANT ACTUARY	- - - - -	R. E. SMART, F.S.A., F.C.I.A.

Managers

BRANCH OFFICES

Vancouver	- - - - -	1520 West Georgia Street	- - - - -	S. L. Baker
Edmonton	- - - - -	802 Royal Bank Building	- - - - -	T. E. Bell
Calgary North	- - - - -	1632-14th Avenue, N.W.	- - - - -	D. A. Wight, C.L.U.
Calgary Chinook	- - - - -	202 Chinook Professional Building	- - - - -	W. Millar, C.L.U.
Winnipeg	- - - - -	491 Portage Avenue	- - - - -	R. H. Little
Hamilton	- - - - -	135 James Street South	- - - - -	D. Giannini, M.B.E., C.L.U., Assistant Agency Vice-President
St. Catharines	- - - - -	15 King Street	- - - - -	A. Vallesi
Kingston (St. Lawrence)	- - - - -	11 Princess Street	- - - - -	C. J. Lawlor, C.L.U.
London	- - - - -	200 Queen's Avenue	- - - - -	A. P. Schofield, C.L.U.
Ottawa	- - - - -	120 Holland Avenue	- - - - -	D. G. Fairweather
Toronto Centre	- - - - -	2200 Yonge Street	- - - - -	J. E. McKenna
Toronto Don	- - - - -	3 Thorncliffe Square	- - - - -	M. R. Allison
Toronto West	- - - - -	100 Dixie Plaza, Port Credit	- - - - -	A. O. Schreiter, C.L.U.
Toronto East	- - - - -	3495 Lawrence Ave. East (Scarborough)	- - - - -	L. G. Ayles
Toronto Bathurst	- - - - -	3101 Bathurst Street	- - - - -	J. H. Green
Toronto Bayview	- - - - -	2901 Bayview Ave., Willowdale	- - - - -	W. H. Martin, C.L.U.
Toronto Lambton	- - - - -	4180 Dundas Street W.	- - - - -	L. J. D'Alton
Windsor	- - - - -	660 Ouellette Avenue	- - - - -	R. S. Miles
Montreal	- - - - -	16 Westminister Avenue N.	- - - - -	R. G. Charbonneau
Montreal Cartier	- - - - -	Fairview Shopping Centre, Pointe-Claire	- - - - -	R. Martel
Montreal Centre	- - - - -	1712 Place Ville Marie	- - - - -	G. D. Shore, Assistant Agency Vice-President
Montreal St. Laurent	- - - - -	750 Laurentian Blvd.	- - - - -	G. E. Ouwendyk, C.L.U.
Quebec City	- - - - -	2700 Boul. Laurier	- - - - -	Y. Boudreau
Sherbrooke	- - - - -	2851 King Street West	- - - - -	J-P. Bourgeois, C.L.U.
Trois-Rivières	- - - - -	1683 Royale	- - - - -	A. Sauvageau
Charlottetown	- - - - -	152 Kent Street	- - - - -	W. B. MacDonald
Jamaica (Kingston)	- - - - -	32½ Duke Street	- - - - -	R. I. Grant, C.L.U.

GROUP OFFICES

Vancouver, B.C.	- - - - -	1520 West Georgia Street	- - - - -	A. M. Coyne
Edmonton, Alta.	- - - - -	802 Royal Bank Building	- - - - -	W. B. McAthey, C.L.U.
Toronto, Ont.	- - - - -	797 Don Mills Road, Don Mills	- - - - -	R. L. Davis
Montreal, Que.	- - - - -	1711 Place Ville Marie	- - - - -	A. Vezina

AGENCIES

Vancouver, B.C.	- - - - -	6277 Nelson Drive	- - - - -	Principal Insurance Agency Limited
Saskatoon, Sask.	- - - - -	833 Ave. "V" North	- - - - -	Empire Agencies Limited
Ottawa, Ont.	- - - - -	90 Sparks Street	- - - - -	Bob Abelson Insurance Ltd.
Sault Ste. Marie, Ont.	- - - - -	224 Queen Street E.	- - - - -	A. A. Biagini
Toronto, Ont.	- - - - -	223 Church Street	- - - - -	Canadian Insurance Services Limited
Toronto, Ont.	- - - - -	43 Eglinton Avenue E.	- - - - -	D. B. Cowper Life Insurance Agencies Ltd.
Toronto, Ont.	- - - - -	67 Yonge Street	- - - - -	W. A. Curtis & Company Limited
Toronto, Ont.	- - - - -	2066 Avenue Road	- - - - -	Burns, Gery, Kelly & Franczak Ins. Agcy. Ltd.
Montreal, Que.	- - - - -	2100 Drummond Street	- - - - -	Castle Insurance Agencies Limited
Bermuda	- - - - -	The Arcade Bldg., Burnaby Street, Hamilton	- - - - -	W. C. Roberts

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

CHAIRMAN OF THE BOARD - - - - - HENRY S. GOODERHAM
 PRESIDENT - - - - - H. N. HANLY

General Insurance Officials

GENERAL MANAGER - - - - - K. G. HUTCHISON
 ASSISTANT GENERAL MANAGER - - - - - F. G. ELLIOTT, F.I.I.C.
 ACCOUNTS - - - - - F. H. CLEMENT, *Manager*
 AGENCY - - - - - A. R. PETRIE, F.I.I.C., *Manager*
 AUTOMOBILE - - - - - H. B. BARNES, *Manager*
 CASUALTY - - - - - W. A. HORNE, A.I.I.A., *Manager*
 CENTRAL SERVICES - - - - - E. BOXALL, *Manager*
 CLAIMS - - - - - G. F. CONNOR, *Manager*
 DATA PROCESSING - - - - - B. A. EDGAR, F.I.I.C., F.L.M.I., *Manager*
 FIRE - - - - - L. BUTTERFIELD, *Manager*
 INVESTMENT - - - - - B. E. PURVIS, *Assistant Treasurer*
 PERSONNEL AND PURCHASING - - - - - L. H. TEMPLE, *Manager*
 SECRETARY - - - - - K. G. HUTCHISON

Branch Manager

BRANCH OFFICES Alberta - - - - - 540-12th Avenue S.W., Calgary - - - - - G. P. CRAW, F.I.I.C.
 British Columbia - - - - - 1309 West Pender Street, Vancouver - - - - - J. H. GLAVIN, A.I.I.C.
 Eastern Ontario - - - - - 151 Slater Street, Ottawa - - - - - D. A. WAUGH, A.I.I.C.
 Metropolitan Toronto - - - - - 165 University Avenue, Toronto - - - - - R. H. LOUGHEED
 Mid-West - - - - - 209 Notre Dame Avenue, Winnipeg - - - - - M. E. RICHARDSON, A.I.I.C.
 Quebec - - - - - 1010 Beaver Hall Hill, Montreal - - - - - S. J. DAVIDSON, A.I.I.C.

ONTARIO SERVICE OFFICES Barrie - - - - - - 34 Clapperton Street
 Central Ontario - - - - - 165 University Avenue, Toronto
 Chatham - - - - - 143 Wellington Street W.
 Hamilton - - - - - 135 James Street South
 Kitchener - - - - - 151 Frederick Street
 London - - - - - 361 Richmond Street
 St. Catharines - - - - - 195 King Street
 Windsor - - - - - 374 Ouellette Avenue

Life Insurance Officials

GENERAL MANAGER AND ACTUARY - - - - - J. S. M. WASON, F.F.A., F.C.I.A., A.S.A.
 ACCOUNTS - - - - - G. B. HOULDEN, *Manager*
 ACTUARIAL - - - - - D. C. TOWNSEND, B.Sc., A.S.A., *Assistant Actuary*
 ADMINISTRATION - - - - - A. L. FARLEY, F.L.M.I., *Administrative Assistant*
 AGENCY - - - - - S. J. HARRIS, C.L.U., *Superintendent of Conservation*
 BRANCH DEVELOPMENT - - - - - J. D. Y. DALGETTY, *Associate Superintendent*
 DATA PROCESSING - - - - - B. A. EDGAR, F.I.I.C., F.L.M.I., *Manager*
 INVESTMENT - - - - - B. E. PURVIS, *Assistant Treasurer*
 MEDICAL - - - - - DR. EUGENE MONTGOMERY, *Medical Director*
 PERSONNEL AND PURCHASING - - - - - L. H. TEMPLE, *Manager*
 SECRETARY - - - - - K. G. HUTCHISON

BRANCH OFFICES Calgary - - - - - 540-12th Avenue, S.W. - - - - - F. M. James, C.L.U.
 Hamilton - - - - - 135 James Street South - - - - - R. Reichertz
 London - - - - - 361 Richmond Street - - - - - W. Attlesey
 Montreal Provincial - - - - - 50 Crémazie Boulevard West - - - - - L. H. Laramée
 Ottawa - - - - - 151 Slater Street - - - - -
 Toronto Metro - - - - - 2 Carlton Street - - - - - C. F. Woodward, C.L.U.
 Toronto - - - - - 43 Eglinton Avenue East - - - - -
 Vancouver - - - - - 1309 West Pender Street - - - - - L. Garrison, C.L.U.
 Winnipeg - - - - - 209 Notre Dame Avenue - - - - - R. F. Miller

